OBRA FORMULA FOR FISCAL YEAR 2003/04 NEW ANNUAL FINANCIAL DISCLOSURE REPORT FORMAT

$$\begin{array}{c} OBRA\,1993 \\ Hospital\,Specific = \begin{pmatrix} Medi-Cal/Uninsured \\ Expenses \end{pmatrix} - \begin{pmatrix} Medi-Cal/Uninsured \\ Revenues \end{pmatrix} \end{array}$$

- * Note: As per BBA 97 and BBRA 99, the OBRA limit amounts determined by the formula will be applied:
 - at 175% to public hospitals
 - at 100% to non-public hospitals

Medi-Cal/Uninsured Expenses

$$\frac{\text{Medi-Cal/Uninsured}}{\text{Expenses}} = \begin{pmatrix} \text{Projected Total} \\ \text{Hospital Expenses} \\ \text{For FY 03/04} \end{pmatrix} \begin{pmatrix} \text{Medi-Cal/Uninsured} \\ \text{Patient Mix} \end{pmatrix} + \begin{pmatrix} \text{Demonstration Project} \\ \text{Expenses}^1 \end{pmatrix}$$

Where,

$$\begin{aligned} & \text{Projected Total} \\ & \text{Hospital Expenses} = \\ & \text{For FY 03/04} \end{aligned} = \begin{pmatrix} \text{Projected Adjusted} \\ & \text{Hospital Operating} \\ & \text{Expenses For FY 03/04} \end{pmatrix} + \begin{pmatrix} \text{Estimated FY 03/04} \\ & \text{CRRP Costs} \\ & \text{(From Survey)} \end{pmatrix} - \begin{pmatrix} \text{Cal Administrative} \\ & \text{Activities} \\ & \text{(From Survey)} \end{pmatrix} \end{aligned}$$

$$\begin{aligned} & \text{Where,} \end{aligned}$$

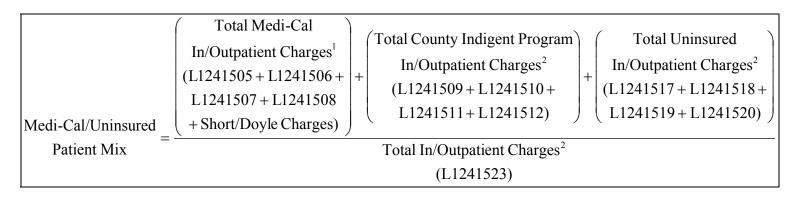
$$\begin{aligned} & \text{Where,} \end{aligned}$$

$$\begin{aligned} & \text{Projected Adjusted} \\ & \text{Hospital Operating} \\ & \text{Expenses For FY 03/04} \end{aligned} = \begin{pmatrix} \text{Total Operating} \\ & \text{Expenses}^2 \\ & \text{(L0820001)} \end{pmatrix} - \begin{pmatrix} \text{CRRP Costs} \\ & \text{For FY Ending} \\ & \text{In 2001} \\ & \text{(From Survey)} \end{pmatrix} \end{aligned}$$

$$\begin{aligned} & \text{Trend} \\ & \text{Factor} \end{aligned} = \begin{bmatrix} \text{Medicare Market} \\ & \text{Basket Percentage} \\ & \text{for FFY 2002} \end{pmatrix} + 1 \end{bmatrix} \begin{bmatrix} \text{Medicare Market} \\ & \text{Basket Percentage} \\ & \text{for FFY 2004} \end{pmatrix} + 1 \end{aligned}$$

- 1. Demonstration project expenses are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
- 2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2001.

(continued next page)



- 1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2001 and the OSHPD Confidential Discharge Data files for calender year of service 2001. Also from San Mateo, Santa Barbara, Solano, Orange, Napa, Santa Cruz, and Monterey (For 01/01 through 12/01) county plans paid claims files and the Medi-Cal Short/Doyle paid claims files for calender year of service 2001 with dates of payment through May 2003.
- 2. From the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2001.

Medi-Cal/Uninsured Revenues

- 1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, the San Mateo, Santa Barbara, Solano, Napa, Orange, Santa Cruz, Monterey, and Yolo (3/2002 to 12/2002) county plans paid claims files and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2002.
- 2. From CMAC.
- 3. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2001.
- 4. Same as the Trend Factor calculated on page two.
- 5. Demonstration project revenues are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
- 6. Additional 2002/03 SB1255 and/or Graduate Medical Education and/or AB761 payments that caused a hospital to exceed their 2002/03 OBRA payment limit. (Calculated on Excel spreadsheet)